

Local Economic Development as a Driver of Trade in the Commonwealth



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Foreword

Lucy Slack, Deputy Secretary General, CLGF

Local economic development is increasingly an integrated element of local development. In some Commonwealth countries, like South Africa and the UK, local government has a statutory responsibility for delivering local economic development, but in many others local government is responding proactively to the needs and priorities of local people by using existing powers and responsibilities to enable and support economic activity towards local development and community well-being.

In many ways the Covid19 crisis has reinforced the importance of the local in local economic development; it has equally put immense pressure on economies already affected by the slowdown in globalisation and global trade. Through a programme supported by DFID (UK) and the EU, CLGF has been working on understanding and strengthening national and sub-national value chains through a focus on local government and local economic development as a strategy for poverty reduction and creating more inclusive local economies. Taking a wider perspective, and thinking about local government's role as an integral part of the state, means it is also important to locate this in the wider macro economy.

The economic challenges facing Commonwealth member states are stark, and since the last Commonwealth Summit in 2018 the organisation's focus and work has been increasingly on exploring the Commonwealth dividend in trade. The slowdown in global economics, the reduction in trade with China, the challenges facing vulnerable small island states, and more recently the impacts of the Covid crisis and the breakdown of international value chains has put the importance of global trade into stark relief; but it has also put into context the value of building economic development from the bottom up by incubating and supporting small businesses, thinking strategically about how to support local enterprise, and how to use the public sector procurement process to stimulate investment and ensure that countries have a sound economic basis from which to work.

Vijay Krishnarayan in his paper reviews the work that CLGF and its local and national government

partners have done to support and mainstream local economic development, and asks how this work and a strong focus on supporting local development plays a role in enabling trade and the Commonwealth trade dividend. He considers the discourse around trade in the Commonwealth and how this is changing to take account of changes in technology and greater decentralisation, as well as the need for regional value chains to be enhanced. The SDGs, endorsed globally in 2000 and the recognition of the need for a local response to addressing the impacts of climate change, have only served to reinforce the argument for localisation at the community level and – a place-based response, including around economic development.

He also emphasises that a local response needs a supportive national enabling environment to be successful. When done well and responsibly LED is not an alternative to international trade, rather it is a building block to underpin national or regional development. Local government has the governance structures and community leadership role to shape institutional relationships, make policy and enable business in its broadest form, and working with national government can create the conditions to foster local economic development that directly supports national economic policy.

CLGF would like to thank its partners across the Commonwealth working to support local government's role in LED; DFID for their support to enhancing local economic development; the EU for its support on localising the SDG; and Vijay Krishnarayan for his thought-provoking paper and his analysis of local economic development and trade in the Commonwealth. We look forward to sharing this paper widely, and hope that the debate it provokes will underpin a strategic dialogue in the Commonwealth on how local economic development at all levels can support and enhance Commonwealth trade. CLGF hopes that this will also form part of the discussions at the Commonwealth Business Forum at the next Commonwealth Heads of Government Meeting in Rwanda, another important step in mainstreaming and institutionalising LED as part of the core business of ensuring livelihoods and prosperity for all.

Local Economic Development as a Driver of Trade in the Commonwealth

1.0 Introduction

The Commonwealth Local Government Forum (CLGF) is the Commonwealth's agency for local government. Its three core priorities are: strengthening local democracy; promoting effective local development by improving policy, governance, and service delivery capacity; and supporting cities and sustainable urbanisation. The organisation entered into a three-year agreement with the United Kingdom's Department for International Development (DFID) to deliver a programme to demonstrate the utility of local government as a facilitator of economic activity. The programme supports national and sub-national value chains, through a focus on local economic development (LED) as a means of poverty reduction in targeted Commonwealth countries. CLGF has also been working with the European Union (EU) on a series of projects on localising the SDGs and an important focus of this has been using LED as an entry point. These projects highlight the need for connections and linkages between trade policy and LED at the local, national and international level.

The prevailing Commonwealth narrative on trade has focussed either at the macro level (emphasising the importance of discussions between states within a Commonwealth frame) or the micro level (encouraging the inclusion of women and young people in economic activity). The CLGF programme adds a new dimension to this discourse by making the connections between the macro and the micro. In doing so it builds on: the growing recognition of the role of cities as trade hubs (as evidenced by the dedicated session on cities and trade planned at the next Commonwealth Business Forum); and the importance of Micro, Small and Medium sized Enterprises (MSMEs) to Commonwealth economies (highlighted in the outcome statements of the 2018 Commonwealth Heads of Government Meeting).

This paper is produced as part of the CLGF LED programme and will provide the basis for a submission to its stakeholders and Commonwealth policy makers in 2020. It takes stock of CLGF's substantive work and builds on this to identify ways in which LED can enable the participation of currently

marginal and excluded stakeholders in international trade and in so doing, localise the delivery of Agenda 2030 and the Sustainable Development Goals. It will highlight the role of cities as catalysts for LED and stress the need for the development of MSMEs as future directions for a Commonwealth LED agenda that supports the attainment of national development priorities and "Leaves No One Behind."

2.0 The Global and Commonwealth Context for Trade

There has been a tendency for the volume of global trade to outstrip global GDP. However, since the financial crisis of 2007-2008 these two headline figures have come closer together¹. Any tentative signs of recovery heralded before the Covid 19 crisis, which started to unfold in early 2020, have faltered. Covid 19 will exert a further brake, with the World Trade Organization forecasting that global trade is expected to fall by between 13% and 32% in 2020 as the impact of the pandemic disrupts normal economic activity and life around the world². Even before Covid 19, the growth in global trade had started to slow. This was attributed to, *inter alia*, a downturn in China's economy and a slowdown in investment in the United States of America.

The pre-Covid slowdown in world trade adversely affected Commonwealth members. The combined total exports of goods and services of all Commonwealth members was US\$3.1 trillion in 2016, compared with US\$3.5 trillion prior to the global financial downturn³. While the impact on world trade of the Covid 19 crisis is yet to be tallied, it is unlikely that any forecast rebound will materialise immediately.

Advances in technology have also had an impact on trade patterns by bringing production and

1 <https://www.weforum.org/agenda/2017/11/international-trade-is-slowing-what-does-this-mean-for-globalization/>. Accessed 27 March 2020

2 https://www.wto.org/english/news_e/pres20_e/pr855_e.htm. Accessed 12 April 2020.

3 Commonwealth Secretariat (2018), Commonwealth Trade Review 2018: Strengthening the Commonwealth Advantage: Trade, Technology, Governance.

consumption closer together physically and by equalising labour costs across the globe. Goods can now be produced at the same cost in any location that robotic technology allows. Technology has also driven the increasing pre-eminence of services as a feature of global trade. Advances have enabled the cross-border tradability of services. Between 2005 and 2017 trade in services expanded faster than trade in goods each year. It is acknowledged that services are the mainstay of developed economies but in many developing countries the sector is growing fast. This growth has been accelerated by technology and its global presence⁴. UNCTAD refers to services as a “new frontier” for developing countries’ participation in international trade but acknowledges the critical need for any services-driven development strategy to be considered within a coherent policy framework that factors in overall national development objectives⁵.

2.1 Globalisation in the 21st Century

Globalisation has been associated with an unprecedented growth in absolute levels of international trade as well as significantly greater participation in trade flows by more countries than ever. A number of formerly developing countries are now international exporters of manufactured goods. For example, Bangladesh and Vietnam, have joined China and India in this regard; and in global service sectors such as IT, banking and health, the Bahamas, India, Malaysia, Singapore and South Africa are now major players.

This has taken place against a backdrop of disaffection with the experience of globalisation. While the phenomenon may have lifted some people out of poverty in Asia, Latin America and Africa, inequality remains and in former industrial locations in Europe and North America the calls for tariffs and protection have grown louder. The universal nature of the SDGs acknowledges that inequality in both the Global North and Global South have remained. The global, indelible nature of inequality was highlighted in 2019 when 13 member states, international organisations and civil society (The Pathfinder Group) committed to a “Grand Challenge on Inequality and Exclusion⁶” at the 74th UN General Assembly. Their analysis describes the multiple ways in which inequality is experienced, including through political participation, spatial disparity and access to social protection. They

observed that manifestations of globalisation such as precarious and informal employment and wage stagnation have profound effects that extend beyond the economy and have an impact on society.

2.2 The Role of Global Value Chains

A central phenomenon in the acceleration and deepening of globalisation is the Global Value Chain (GVC). GVCs describe the range of activities that bring a product or service from conception, through production, delivery to final consumers and disposal after use⁷. When used as a frame for analysis⁸ GVCs can be seen as increasingly fragmented and spread across the globe. Over the last three decades this has in practice meant that more and more countries play a part in producing a single final product. This has added a new dimension to national, regional and international trade. More recently, concerns at the linear pathways associated with GVCs (take, make, dispose) have seen the emergence of advocacy in favour of “Circular Economies.” This describes extracting the maximum value from goods, while they are in use and recovering products and materials at the end of their service life.

Exporting more does not necessarily mean producing or even gaining more. This reality contests the long-held belief that value-added manufactured exports can address multiple challenges (such as deteriorating terms of trade for commodities, unemployment, low productivity and slow industrial growth). Industrial policies are being reinvented to adjust to this new dimension of trade. These adjustments will need to consider the uneven distribution of gains through the GVC, which favours countries at the upper end of the chain (i.e. nearer consumption). These are developed countries in the main, with competitive advantages in services such as marketing⁹.

4 WTO (2019), World Trade Report 2019: The future of services trade, WTO, Geneva, <https://doi.org/10.30875/7e6f8c91-en>.

5 UNCTAD: Services, Trade and Development, <https://unctad.org/en/Pages/DITC/Trade-in-Services.aspx>. Accessed 30 April 2020

6 Time to Act on Inequality and Exclusion https://cic.nyu.edu/sites/default/files/pathfinders-inequality-brochure-web-final_0.pdf. Accessed 30 April 2020

7 Porter, M. E. (1985). *The Competitive Advantage: Creating and Sustaining Superior Performance*. NY: Free Press.

8 Gereffi, Gary. (1994). *The Organization of Buyer-Driven Global Commodity Chains: How U.S. Retailers Shape Overseas Production Networks*.

9 Banga, Rashmi. (2013). *Global Value Chains and Aid for Trade*.

The governance of these fragmented arrangements in turn provides an arena for contestation between stakeholders from diverse sectors at the micro, and macro level¹⁰. In the negotiations that follow, poor and marginalised sections of society have their disadvantage compounded. The increasing proportion of trade now located in global and regional value chains presents challenges to Commonwealth trade competitiveness but they also offer opportunities, particularly for small states, least developed countries (LDCs) and sub-Saharan African countries. These countries are seeking to overcome barriers to trade, adapt to the emerging 21st-century trade governance framework, and access the required technologies to compete.

3.0 Trade Discourse and Initiatives in the Commonwealth

Inter-governmental Commonwealth initiatives have focussed on strengthening institutional and governance aspects of trade, for example through the development of model laws, standards and policy templates, as well as technical assistance to member countries. It has also emphasised the “Commonwealth Advantage”¹¹. To date, the Commonwealth has tended to emphasise the importance of influencing trade governance to enable member states to expand exports, increase inward FDI and reduce trade costs. At the same time there has been recognition of the need for proactive initiatives by Commonwealth member countries to generate new commercial opportunities. It has been suggested¹² that these focus for example on: improving trade logistics and trade facilitation; tackling non-tariff barriers; harnessing new technologies; and developing promising regional supply chains; promoting a gender responsive approach to the development of trade policy; drawing on diaspora capital and connections; and using the Commonwealth as a platform to develop linkages between traders and investors. For instance, the Commonwealth ministerial processes provide a mechanism to advance intergovernmental discussions, while the Commonwealth Enterprise and Investment Council serves to shape the terms of debate with the private sector through its stewardship of the Commonwealth Business Forum. At the 2018 Commonwealth Heads of Government Meeting, the SheTrades Commonwealth platform

was launched. This extended and deepened the International Trade Centre’s programme to facilitate the participation of Women-Owned Businesses in international trade and increase job creation in Commonwealth countries with a specific focus on Bangladesh, Ghana, Kenya and Nigeria.

4.0 The Commonwealth Local Government Forum (CLGF) and Local Economic Development

The Commonwealth’s response to the new and emerging trade landscape is not defined solely by its intergovernmental priorities. The *Aberdeen Agenda: Commonwealth principles on good practice for local democracy and good governance*, provides a set of standards and principles that were formally adopted in 2005 by CLGF members and incorporated into the Commonwealth Charter in 2013.

The Commonwealth Local Government Conference held in Cardiff in March 2011 adopted the UNDP definition of LED as a locally driven process that seeks to identify, harness and utilise resources to stimulate the economy and more importantly create new local job opportunities. It embraced LED as the sum total of the individual contributions of a broad spectrum of the community (local authority, business, labour, nongovernmental organisations and individuals) to improve economic outcomes for local communities by harnessing diverse skills, resources and ideas¹³. The Conference also¹⁴ recognised the enabling role of local government, either as a convenor and facilitator

10 Kaplinsky, Raphael & Morris, Mike. (2015). Thinning and Thickening: Productive Sector Policies in The Era of Global Value Chains. *European Journal of Development Research*. 28. 10.1057/ejdr.2015.29.

11 The Commonwealth is not a formal trading bloc, but its members enjoy a trade advantage without formal collaboration, accruing from familiar administrative and legal systems, the English language and dynamic diasporas. The 2015 Commonwealth Trade Review found that Commonwealth countries, on average, tend to trade around 20% more and generate 10% more investment with each other than with non-member countries.

12 *ibid*

13 International Republican Institute and National Business Initiative (1998). *The Local Authority’s Role in Economic Development: A Handbook for Councillors and Officials*, Durban, April

14 Reddy, Purshottama & Wallis, Malcolm (2011). *Energising local economies: local economic development around the Commonwealth*. Background paper for the sixth Commonwealth Local Government Conference March 2011 Cardiff Wales.

or as an implementing partner. Furthermore, the definition acknowledges that while LED may not always be statutory, it is a characteristic of developmental local government. LED differs from traditional industrial strategies in several ways. For example, it is: territorial rather than sectoral; defined by local needs rather than central priorities; focussed on strengthening residual development potential rather than large capital-intensive projects; and administered through decentralised management rather than centrally.

Overall, CLGF's programmatic work on LED has been informed by its: Commonwealth-wide biennial conferences (Uganda 2013, Botswana 2015 and Malta 2018); regional conferences (Southern Africa in 2014 and 2019, South Asia in 2015 and West Africa in 2016); and compendiums of case studies (from South Asia, Ghana and Sri Lanka).

This body of work highlights the importance of enabling institutions and linking up the key actors and stakeholders at the national and the local level, including:

- National agencies acting within national frameworks and guidelines;
- Local authorities as the nurturing agency that places LED in a broader national context;
- Civil society organisations as mobilisers of local people and cross-party political support; and the
- Private sector with its ability to mobilise resources and further stimulate the local economy.

4.1 Lessons from CLGF's LED Programme

Reviews of selections of LED programmes and projects from Southern Africa¹⁵ and South Asia¹⁶ suggest that inappropriate institutional arrangements were a significant factor in determining success. The reviews identified coordination and coherence as key elements in institutional arrangements particularly where multiple donors and levels of government were added to an already crowded local landscape. For example, in South Asia the success of national initiatives such as tax holidays and special economic zones require close coordination with local government – as do investment promotion in target areas and decentralising foreign investment. Coordination also allows for the adaptation of labour

market policies at the state or provincial level to respond to market demands.

In many Commonwealth countries the connection between national planning frameworks and local institutions can be weak. Influenced by CLGF, the Caribbean Local Economic Development Project (CARILED) operated in the Caribbean (2012-2017) and focused on building knowledge, expertise and capacity of local governments for LED. The final report on "Empowering Local Government for a Sustainable Caribbean: A Call to Action" (2017) highlights the need for national governments to initiate local-national-regional dialogues on developmental agendas.

CLGF has been strengthening local governments' role in LED in Botswana since 2012. In conjunction with the Ministry of Local Government and Rural Development (MLGRD) and Botswana Local Authorities Association (BALA) an LED Framework and Decentralisation Policy has been developed and is being rolled out. The lessons from that experience show inter alia the value of:

- A common understanding of LED among stakeholders of key concepts, challenges and objectives. This can be especially helpful in making connections to national and global development goals;
- A commitment to capacity development for LED that enables the participation of stakeholders in institutional arrangements; and
- An empowered local government with a mandate to make decisions and allocate resources at the local level - decentralisation via devolved powers.

In addition to being an active agent of LED by virtue of its landholdings and responsibilities for local utilities and infrastructure, CLGF has observed that local government also has important facilitating roles to play including: providing leadership; shaping institutional

15 Xuza, P, Swilling, M (2008). Institutional arrangements for local economic development implementation in South Africa. In: Van Donk, M, Swilling, M, Pieterse, E (eds) Consolidating Developmental Local Government: Lessons from the South African Experience, Cape Town: UCT Press, pp. 263-284.

16 CLGF (2015) 'Local Economic Development in South Asia: A Review of Policy and Practice' CLGF, London Accessible from www.clgf.org.uk/led-in-south-asia

arrangements; making policy; coordinating integrated development planning; and creating an enabling environment. In practice LED has been characterised by some of the following approaches either individually or in combination:

- Infrastructural development and service provision.
- Retention and expansion of existing businesses.
- Increased spending on locally manufactured products and services.
- Micro, Small and Medium Enterprise development.
- Human capital development.
- Community economic (financial services) development.
- Linking profitable growth to redistributive development.

4.2 Perspectives from CLGF Regional and Project Offices

CLGF has a network of regional and project offices (Southern Africa, West Africa, South Asia, the Caribbean and the Pacific). For the purposes of this report, key personnel in these offices were surveyed to gauge how LED has been experienced. These interviews highlighted the different approaches to LED across the Commonwealth's diverse terrain. There was common agreement on the importance of national frameworks and mandates for local government's agency for LED. In the Pacific it was seen as a discipline which had introduced new language and terminology. In the Caribbean it was recognised as an area that local government had long been associated with.

The main driver of LED across the Commonwealth was identified as the intent to address inequality, reduce poverty and build local resilience. The barriers to LED included outdated institutions, a lack of inter-agency coordination and human resource capacity for LED within local government. To improve trade outcomes from LED it was felt that exclusion had to be recognised so that programmes could respond to particular needs. There was support for providing access to capital for start-ups and for finding ways of improving market information.

The trend towards urbanisation across the Commonwealth was noted as well as the increasing focus on cities as centres for LED. There was a sense that the rural dimension should not be overlooked. It was felt that isolated communities that are particularly distant from markets needed LED and that this needed to relate to rural governance systems and its associated traditional institutions.

All of CLGF's focal points highlighted the important role of local government in enabling effective LED. For some – notably in Southern Africa this stemmed from its accountability and associated capacity to democratise economic development. This makes an explicit connection with SDG 16 with its emphasis on promoting just, peaceful and inclusive societies. Most respondents cited the role of local government as an implementer or delivery agent of national programmes with a sense that more can be done to inject a meaningful local component by taking advantage of local government's ability to convene and facilitate. It was agreed that the potential of local government to play a full part in LED could not be realised without constructive engagement with central government. This needs to be built on by widening the understanding of LED and making it a public sector priority.

Governance institutions in all Commonwealth countries bar one have been influenced by a colonial past. This has shaped central and local government and the way that they relate to each other. The Commonwealth places a premium on "good governance" but there is a tendency for power to be centralised. Without decentralised authority, local government's ability to facilitate and enable LED is constrained.

CLGF has recognised that for LED to take hold, it needs to be institutionalised and that local government is an essential element in that process. CLGF's LED focused programmes have demonstrated the importance of an enabling national context for LED and local government. This is seen for example, in delegated authority for local government and national guidelines or frameworks for LED. These national instruments set the direction for LED and empower local government to play its part. This has been a key learning point from the implementation of CLGF's programmes over the past nine years.

5.0 Local Economic Development and the Sustainable Development Goals

The need to localise global commitments has been evident in the development discourse since Local Agenda 21 grew from the Earth Summit in 1992. More recently LED has been prominent in relation to Agenda 2030 and the Sustainable Development Goals (SDGs). The SDGs provide a multi-dimensional focus at the local level for combining social, economic and governance issues. LED can also act as a catalyst for the participation of stakeholders in the identification of the most pertinent development challenges and the formulation of strategies to address them.

This was reaffirmed at the 4th World Forum of Local Economic Development¹⁷ (4th WFLED) held in Praia, Cabo Verde. Delegates to the Forum committed to continued democratic dialogue, joint advocacy and partnership building efforts to promote LED as means for inclusive, equitable and sustainable development in the framework of the 2030 Agenda and its implementation at the local level.

All of the SDGs have targets that are directly or indirectly related to the daily work of local government. In relation to LED, local government has responsibility for the provision of public services such as water and sanitation (SDG 6) and infrastructural developments (SDG 9). It can contribute to solving urgent global crises such as rapid urbanisation (SDG 11) and through its policy making and delivery of services contribute to economic growth and job creation (SDG 8). The role of local government in realising Agenda 2030 is more than a sum of these parts. LED is an important entry point in localising the SDGs and local government is central to this process by virtue of its role as an enabling agency. In this capacity local government can be seen as a convenor and facilitator as well as having a role to play in regulating development and delivering infrastructure.

The targets associated with specific SDGs can be seen as providing the underpinnings for trade. This is explicitly referenced in SDG 17 (Partnerships to achieve the Goals):

- Target 17.10: Promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the World Trade Organization, including through the conclusion of negotiations under its Doha Development Agenda

- Target 17.11: Significantly increase the exports of developing countries, in particular with a view to doubling the least developed countries' share of global exports by 2020
- Target 17.12: Realize timely implementation of duty-free and quota-free market access on a lasting basis for all least developed countries, consistent with World Trade Organization decisions, including by ensuring that preferential rules of origin applicable to imports from least developed countries are transparent and simple, and contribute to facilitating market access.

The UN's 2019 Sustainable Development Goals Report tracked global progress and took stock of the advances and challenges associated with delivering Agenda 2030. While climate change is identified as the pressing area for action, the report maintains the focus on inequality within and between countries. On SDG 17 it highlights the slowdown in global growth and attributes this to ongoing trade tensions among the world's largest economies, and the impact on producers and consumers globally. It also focussed on uneven tariffs, comparing relatively high levels in Sub Saharan Africa and LDCs with those in South East Asia. This indicates the international community's focus on tariffs as the critical determinant of openness to international trade. There is little reference to building local capacity for trade. The need to localize the SDGs is widely acknowledged, but while the connections between local, national and international processes are made for SDGs 1-16, SDG 17 and the trade related targets in particular are rarely placed in this context. If one of the principles that underpins Agenda 2030 is that the SDGs are indivisible and should not be taken in isolation then there is need for greater synergy between SDG17 and the other goals.

6.0 The Interface Between Trade and Local Economic Development

Agenda 2030 and the adoption of the SDGs in 2015 re-introduced resilience to the development discourse. As countries come to terms with the fallout from

¹⁷ World Forum for Local Economic Development (2017), 4th World Forum for Local Economic Development, Praia, Cabo Verde, 17-20 October 2017: Final Report

the coronavirus pandemic, which stalled the global economy in early 2020, resilience has been given new prominence. The pandemic exposed the fragile nature of global value chains and raised fundamental questions for example regarding small states' dependence on imports and food security. Taken alongside growing concern at the environmental impacts of established patterns of production and consumption and advocacy for new models built on the principles of a circular economy there is an appetite for approaches that adopt LED thinking.

Resilience was previously associated with small states and climate change in particular¹⁸. LED has been framed as a means of building resilience by broadening and deepening sustainable development. This was a theme, for example at the 4th World Forum on LED in Praia (Cabo Verde) and the logic of this argument has been strengthened with the critique of globalisation, which has grown louder since the 2007/08 financial crisis. The background paper for the 2019 CLGF Southern Africa Regional Conference¹⁹ was explicit:

“LED contributes to strengthening social trust and cohesion, helping to build societies that are more stable and resilient to growing, complex and widespread risks, preventing conflict, and ensuring sustainable development.”

The Regional Conference made the connection between LED and the African Continental Free Trade Agreement, designed to eliminate tariffs on a variety of goods and boost intra Africa trading by 60%. In addition, it made the case for municipalities taking the initiative – either on their own or by coming together with other towns and cities in their region.

Examples profiled at the Conference demonstrated the ways in which LED can improve the resilience of local stakeholders by: creating an enabling environment; expanding the market; reducing costs; and supporting redistribution and economic participation. One such example is the economy of Ilembe District Municipality (IDM) in South Africa's KwaZulu Natal Province which is structured around cultural heritage tourism and agriculture (principally sugar cane). About 30% of the land is owned by private sugar farmers in this largely rural district. Unemployment rates are high and some parts lack essential services. To address social, economic and spatial inequalities, the

local government established a private company to: improve its regional competitive advantage; facilitate the economic participation of stakeholders; and strengthen the District's technical capacity to promote trade and investment. The local government also established an LED Forum to bring together local stakeholders. This included representation from the local municipalities within the district, business, labour, national government, provincial governments, state-owned enterprises, donors and CBOs. In this example, the local government identified spatial inequality as a barrier to LED and provided an arena, where issues could be tabled and solutions generated. It also demonstrated the value of using an arms-length agency to strengthen its capacity to promote LED.

This municipal assertiveness manifests in different ways but includes: city to city diplomacy; greater visibility in national debates; and convening forums for local development. The success of these initiatives is dependent on a conducive context, but the broader environment is by definition determined by factors that lie outside the control of local government. The differing priorities and practice of national governments, the private sector and civil society mean that dialogue for multi-sectoral partnerships is a necessity²⁰.

The LED discourse contests the prevailing macro-economic orthodoxy on trade and in particular the model of financialization that precipitated the 2007/2008 crisis. LED prioritises equity, inclusion and environmental sustainability. Practitioners however, underscore the point that LED should not be seen as an alternative to national development frameworks but as complementary and value additive. The LED theme of resilience encourages building on residual assets and the consideration of strategies that emphasize local competitive advantage. This type of localism is fostered by a sense of municipal agency, which successfully

18 Commonwealth Foundation (2015) Commonwealth Insights CPF2015 Series. What makes societies resilient? <https://commonwealthfoundation.com/download-file/3266/>. Accessed 1 May 2020

19 CLGF (2019), Promoting Local Government and Local Economic Development in Southern Africa: Towards the Localisation of the Development Goals: Background Paper for: CLGF Regional Conference, 25-26 June 2019, Lusaka, Zambia

20 OECD (2013), Delivering Local Development: New Growth and Investment Strategies.

connects with national and regional frameworks and stakeholders. In this sense localism is not the antithesis of globalisation but rather a means of extracting value from GVCs for local stakeholders.

The interface between local and national is critical. Central governments can make or break LED. National policies and institutions need to enable local government to play its part in acting as a catalyst for LED. National governments and frameworks have a role to play in creating the conditions for LED and encouraging municipal and local agency. For example, the Government of India has initiated a programme to digitise local panchayats²¹ across the country, through the Digital Panchayat e-platform and with the support of the Digital Empowerment Foundation (DEF) together with the National Internet Exchange of India (NIXI). The DEF reports²² that under the aegis of the programme: 500 panchayats have been digitally enabled and have a dedicated online presence; over 50 wi-fi enabled Digital Panchayat Centres have been established in 10 states help panchayats to go online; and over 5,000 gram panchayat (village council) members have improved their digital literacy.

Where the environment is supportive, stakeholders from all levels of government, the private sector, civil society and international partners can come together to engage with national, regional and international value chains by providing the infrastructure that underpins and supports resilient trade. For example, in Zambia, the Ministry of Local Government, the Local Government Association of Zambia and the Chalimbana Local Government Training Institute sought to empower local government through the development of national LED Guidelines. Cooperation also enabled a joined-up approach to the implementation of the Decentralisation Policy, as well as the National Development Plan.

7.0 Opportunities to Connect Trade and LED

A review of the experiences of LED (see Annexe 1 for a list of LED projects cited in CLGF literature for the period 2012-2020) indicates that success has often been seen in terms of developmental processes, which have brought previously excluded stakeholders into policy making or enabled dialogue with state institutions. There is less evidence of the role that LED can play in delivering economic outcomes particularly in the Global South. Further, the link between LED

and trade is not often made explicit. There are two of particular relevance for the Commonwealth that offer some scope for making this connection: Cities; and Micro, Small and Medium sized Enterprises (MSMEs).

7.1 Cities

By 2050 it is predicted that 68% of the global population will be living in towns or cities²³. Besides the opportunities for social progress, cultural exchange, economic growth and the associated jobs, urbanisation also presents several challenges as noted in the World Cities Report (2016)²⁴. These include multiple forms of inequality and disadvantage.

The New Urban Agenda²⁵ was adopted at the UN Habitat III conference in Quito, Ecuador, 2016. This global policy framework is of considerable significance in that it secured agreement from the member states of the United Nations to give support to local actors to address economic, social and environmental challenges. The foreword to the NUA notes that, “[t]he New Urban Agenda incorporates a new recognition of the correlation between good urbanisation and development. It underlines the linkages between good urbanisation and job creation, livelihood opportunities, and improved quality of life, which should be included in every urban renewal policy and strategy.” This is an explicit acknowledgement of the need to reconcile economic growth and equity. Arguably the NUA is in a position to build on the practice of participation and inclusion that LED projects have introduced to economics. Writing ten years earlier, Rodriguez-Pose and Tijmstra²⁶ saw that the deepening of policy dialogues and the growing body of experience

21 The Panchayati Raj system of local government has been in existence in India for a long time, and was officially recognised in 1992 with the 73rd Amendment to the Constitution of India. The word “Panchayat” means assembly (ayat) of five (panch) and raj means “rule.”

22 Digital Panchayat <https://www.defindia.org/digital-panchayat/> accessed 2 July 2020

23 United Nations, Department of Economic and Social Affairs, Population Division (2018). World Urbanization Prospects: The 2018 Revision.

24 UN-HABITAT (2016), World Cities Report 2016: Urbanization and Development - Emerging Futures, UN, New York, <https://doi.org/10.18356/d201a997-en>.

25 <http://habitat3.org/the-new-urban-agenda/>

26 Andrés Rodríguez-Pose & Sylvia A R Tijmstra (2007). “Local economic development in Sub-Saharan Africa,” Environment and Planning C: Government and Policy, Pion Ltd, London, vol. 25(4), pages 516-536, August.

in Sub-Saharan African contexts demonstrated a growing ambition to empower urban actors to move progressively to achieving levels of impact necessary to help societies make progress.

As noted by the United National Economic Commission for Africa (UNECA) “in Africa FDI has shown a preference for cities and countries with good access to the continent’s domestic markets.”²⁷ Furthermore, the 2018 World Cities Report notes that “cities have stronger economies when they facilitate international trade and connect to diverse economic clusters in the world, thereby boosting their own local markets and industries.” The acknowledged importance of cities stems from the essential role that municipal governments play in the delivery of many basic services as well as the maintenance of essential public infrastructure. Whether it is collecting refuse or keeping roads open during the rains, local government underpins the local economy and enables a functional city.

From this starting point, municipalities have a legitimate role in mobilising stakeholders so that they can engage with trade processes, for example by:

- Sharing knowledge, fostering dialogue and building awareness
- Creating a supportive environment for forms of trade and FDI
- Using local government and city associations to participate in dialogues on trade
- Initiating urban programmes that bring diverse groups to focus on local development, for example through enterprise zones, innovation centres, and festivals.

Strengthened urban capacity to engage with trade processes is particularly important in light of new agreements such as the African Continental Free Trade Area (ACFTA) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). These free trade agreements, which aim to increase trade among the signatory countries, will rely on the essential infrastructure provided by urban centres. If the vision that underpins these agreements extends beyond the realisation of greater trade volumes and engages with the need to broaden participation in global value chains and the associated benefits, then cities become even more important.

Cities are the places where goods are traded and services are produced, consumed or delivered. The companies or networks of producers making goods and services and service providers to these companies, their suppliers and customers cluster in cities. Cities are also central to national economies. They are home to the institutions that enable trade (such as regulatory and financial bodies), and often much of the critical infrastructure (airports, ports, major road or rail connections) are concentrated in or near cities. Cities occupy strategically important places for every national economy in global value chains – particularly at the upper end, where most value lies.

Capital cities trade on their comparative advantage at the heart of industry, infrastructure and institutions with the implicit or explicit encouragement of national government. For instance, in Malaysia, the nationally directed, Invest Kuala Lumpur has a board that includes representation from the Kuala Lumpur City Hall. The organisation is tasked to work closely with national and local government to ensure the needs of investors and key businesses are met. It is required to work with relevant stakeholders to ensure the environment for business is suitable to the needs of the investment community. As the capital city, Kuala Lumpur seeks to ensure that it can offer a globally competitive business environment.

In the context of national development there is increasing awareness of the importance of looking beyond the capital city – to the emerging metropolitan centres or secondary cities. These have become key in the domestic flows of goods and services, because they enable the combination of production activities and can be very important in servicing those agglomerations. For rural areas, especially within wider regions that form the hinterland of towns and cities, opportunities exist to take advantage of the improved amenities and markets in these growing urban centres. These centres can come together to bring focus and scale to land use and infrastructure planning as well as human resource development as seen for example in the Northern Powerhouse initiative in England and Wales. This forms part of the

27 UN ECA (2017), Economic Report on Africa 2017: Urbanization and Industrialization for Africa's Transformation, UN, New York, <https://doi.org/10.18356/2da6f7c9-en>.

United Kingdom government's industrial strategy and covers 11 cities and towns in Northern England as well as North Wales.

Cities are not insular but they do generate their own internal economies, building a stock of locally generated jobs and businesses, attracting inward investment and bringing policy and institutional coherence to a local economic agenda:

- In Belize, Belize City Council, led by the Mayor, together with local stakeholders, developed an LED strategy and work plan, appointed key staff to drive the work forward, and put together a project stakeholder committee to oversee the city's work on LED. One of the early projects to be taken forward as part of the strategy was the development of a park on the waterfront. The project helped the council to maximise benefits back to the community from its use as a venue for community activities, as a tourist location and as a space to host events. The project was built on strong public private partnerships between the landowner and the Belize City Council. In addition to the civic pride generated and community and tourist access to an improved space, early evaluations also showed that the project had created nearly 20 new businesses and more than 50 new jobs. The park began to host events and became a new meeting point. Local vendors have formed an association and engage with the council. The park brought in an additional \$300,000BZD of expenditure a year in the city. The relative success of the project was attributed to the leadership of the Mayor, a supportive national government, the institutionalisation of LED across the council's departments²⁸. This example highlights the importance of city leaders with a vision that combines sustainable growth, poverty reduction and effective service delivery.

7.2 Micro, Small and Medium sized Enterprises

The Commonwealth has been more vocal in its advocacy of a trade agenda since 2016. This is indicated by the increasing frequency of meetings of Commonwealth Trade Ministers and ministerial statements. These have highlighted the importance of developing Micro, Small and Medium sized Enterprises (MSMEs) as this is a significant constituency for many Commonwealth economies. The 2018 Declaration on the Commonwealth

Connectivity Agenda for Trade and Investment called for dialogue on: ease of doing business; access to finance; and export opportunities for MSMEs. These priorities reflect a focus on unlocking private sector dynamism.

The 2015 Commonwealth Trade Review reported scope to more effectively integrate the private sector into trade policy and negotiation processes. It advocated active and open consultations with the private sector to strengthen the negotiating position of governments but recognised the challenge to inclusive cooperation and consultations presented by the fact that a large majority of private sector enterprises are MSMEs, often operating in the informal sector²⁹.

Good trade strategies and improved market access are only meaningful if business enterprises, including MSMEs, can make use of them. The need for MSME development is widely recognised as an essential element of supply side programmes that aim to strengthen the private sector and it is a keystone for LED. The International Labour Organisation advocates Value Chain Development (VCD) as a means of supporting pro-poor development and job creation and helping MSMEs by strengthening business relationships, improving market structures and the business environment. It can assist in overcoming localised constraints such as poor market access and limited bargaining power. VCD and LED reinforce each other as both focus on private sector development and can prioritise the inclusion of excluded and marginal communities in the resulting benefits. VCD analyses the functioning of the market system and devises interventions to overcome barriers and bottlenecks in the chain. LED strategies identify the economic potential of a specific territory and empower local economic actors to take joint action for economic growth and job creation.

By combining LED and VCD approaches, the possible shortcomings of either single approach

28 CLGF (2018) Inclusive Urban Economies: A background paper for the Commonwealth Sustainable Cities Network Meeting 19 Sept 2018 Kigali, Rwanda

29 Razzaque, Mohammad & Vickers, Brendan & Ali, Salamat & Gosset, Laura & Keane, Jodie. (2015). Commonwealth in the unfolding global trade landscape: Prospects, priorities, perspectives.

can be avoided. One of the strengths of a value chain approach is that it encourages an understanding of boundary-crossing nature of economic processes but VCD practitioners may fail to give enough importance to local conditions such as cultural norms and behaviour, local red tape and constraints to infrastructure development. Understanding the local context is often crucial in order to address underlying constraints of local market systems and local government can address this deficit. LED enables localised solutions and, when combined with VCD can help to find solutions adapted to the local context and owned by local populations. LED's link to local governance and development planning can add value to the cross-sectoral perspective of VCD.

- An example of effective VCD was cited by The International Centre for Integrated Mountain Development (ICIMOD)³⁰ from Myanmar. Farmers in Myanmar were able to produce ginger, but had to sell locally and received low returns for their efforts. A two-pronged ginger project was introduced focussed on: strengthening producer groups and using a collective approach to supply ginger in bulk from one place; and identifying an anchor company which was interested in receiving a continuous supply of good quality ginger. The project team facilitated a dialogue between the communities and the regional agent of the company. The company recognised the business benefits of sourcing ginger in bulk from one collection point and making a collective deal rather than negotiating with individual suppliers. Farmers were able to sell at a higher price than in the local market and save on transportation costs. The managing director of the anchor company came to the pilot villages to hold meetings with the communities, made a commitment to buy ginger (and turmeric) in the future. While this example is not from a Commonwealth country it is recognizable and serves to illustrate how previously marginalised stakeholders can be brought into a value chain.

Local government can be both a regulator of and facilitator for enterprises. In finding the balance between these roles, it is often suggested that local government needs to be more focussed on enterprise than regulation. This requires dialogue and engagement with the private sector

and civil society so that sustainability concerns are addressed. Facilitating dialogue can be particularly difficult when engaging with micro and informal enterprise. This relational aspect of the management of LED is difficult to quantify but local government is well placed to develop a sense of trust among stakeholders by virtue of its proximal and accountable governance. The role of key elected officials (e.g. Mayors) willing to invest their own political capital in dialogue for LED can be significant.

In many countries the informal sector is the main provider of goods and services to the poor. City-wide development initiatives need to assist businesses with potential to mature by eliminating punitive regulations that discourage the informal sector. Capacity development programmes in this sector needs to balance two objectives: maximising the potential of informal enterprises to create jobs and alleviate poverty, while ensuring that necessary social protections and regulations are in place. For example, the views of street vendors have not always been taken that seriously by many governments and they can be seen by city managers as a nuisance. Public space trading is a feature of many Commonwealth cities and this is likely to remain the case – not least because it provides an income for urban women.

- In Accra a variety of local and international organisations have worked with local street vending organisations to raise the profile of the value of informal economy activities to the city and the country as a whole. One of these projects involved support for vendors to do their own research about issues that presented barriers to decent work places and improved incomes in their street vending. The representatives of the associations were able to table their evidence with the Accra Municipal Assembly in order to propose areas of mutual focus for future development and priority areas for action by the municipality. In a context where local governments often have little information about the dynamics of trading activities this example shows how different forms

³⁰ Rasul, G. and Tripura, N.B.K. (2016) Achieving the sustainable development goals in Chittagong Hill Tracts – Challenges and opportunities. ICIMOD Working Paper 2016/12. Kathmandu: ICIMOD

of dialogue can open up areas for collaboration as well as provide opportunities for citizens to hold local government to account³¹.

MSMEs are a mainstay of the economies of the Commonwealth's small states. Small states are vulnerable to economic and climate related shocks. During the 4th World Forum on Local Economic Development Forum, the Cape Verde Islands experience was profiled as an example and it is relevant to many of the Commonwealth's small states particularly in the Caribbean and the Pacific. The African island nation graduated from least developed country status in 2008. Its economy is built on tourism and fisheries which together account for 50% of the country's gross domestic product, 80% of its exports and employs 40% of its work force. UNCTAD's Investment Policy Review of the country, published in 2018³² found that the local private sector, largely composed of small and medium-sized enterprises, is not present in the value chains of larger investors, primarily all-inclusive tourist resorts. This has been a longstanding criticism of the tourism industry in Commonwealth small states. In 1998 the St Lucia Heritage Tourism Programme, demonstrated how local stakeholders could be inserted into the value chains of the dominant cruise ship operators through negotiations led by national government agencies, building the capacity of local stakeholders and strengthening the endogenous tourism product offer³³. This example combined VCD and LED thinking to disrupt an established value chain. In this small state context, the programme had a deep and wide-ranging impact – affecting the way in which the country branded its tourism product and broadening stakeholder participation in the industry.

8.0 Conclusion

Over the past 30 years globalisation has brought gains but trade patterns are in a state of flux. This is characterised by a global slowdown, a continuing shift from trade in goods to services and the increasing impact of technology. Covid 19 represents an immediate shock, which 10 years after the global financial crisis provides further pause for thought on trade policy and practice characterised by increasingly fragmented production processes. The process of fragmentation provides opportunities for new entrants and LED is a means of strengthening

the capacity and resilience of previously excluded or marginalised groups to engage with trade. There is a need to demonstrate how this can work at scale. A fundamental critique of LED calls for further proof of concept, which shows how local stakeholders connect with national and international trade beyond capacity development.

The slowdown in global trade started before the onset of the pandemic but coronavirus really put the brakes on. The World Trade Organization expects global trade to drop by as much as 32% in 2020. The question being raised by many is – should economic recovery mean resetting to the world as it was in December 2019. LED with its strategies and approaches that are attuned to both the needs and resources of local communities can galvanise diverse stakeholders as it focuses on strengthening residual development potential. The demand for economic democracy is strong following the experience of the post 2007-8 financial crisis and this is particularly relevant in the context of public spending in post-Covid recovery.

Agenda 2030 can provide a framework that places LED in a national and international context. It is acknowledged that the SDGs are universal and interlinked. In order to make further progress on LED the connections between SDG 8 with its emphasis on inclusive and sustainable economic growth and decent work; and SDG 17 with its trade related targets need to be more explicit and seen through the lens of SDG 11 – the goal that provides a focus for localising Agenda 2030. If local government is going to play its essential role as a convenor and facilitator of LED and localise SDG 8 then it must be given the tools to do the job. These start with a supportive national context and a clear mandate for LED and associated fiscal powers.

When discussed in abstract terms, LED is often presented as an alternative to trade orthodoxy. In practice LED has been most effective when initiatives complement national or regional development frameworks rather than contest them. Experience suggests that there is need for more

31 Brown, A., Lyons, M., & Dankoco, I. (2010). Street Traders and the Emerging Spaces for Urban Voice and Citizenship in African Cities. *Urban Studies*, 47(3), 666-683.

32 UNCTAD (2018) Cabo Verde investment policy review. Geneva

33 Renard, Yves. (2001). Practical Strategies for Pro-Poor Tourism: A Case study of the St. Lucia Heritage Tourism Programme.

joined up thinking between local and national to make LED work. This will require policy coherence and institutional arrangements for LED that ensure that local and central government are pulling in the same direction to open up value chains and enable local stakeholders to participate.

The Commonwealth can add value to the continuing practice of LED in two areas where it has a comparative advantage. These are in relation to: Cities (by virtue of the work done by CLGF in its advocacy of the New Urban Agenda and its convening of the Commonwealth Sustainable Cities Network); and Micro Small and Medium sized Enterprises (by virtue of their significance for the majority of Commonwealth national economies). These two sectors provide an opportunity to explore further the thesis that LED can deliver on Agenda 2030 and connect previously excluded and marginal communities with international trade flows. Both can act as a frame to further investigate the ways in which LED can lead to better economic outcomes for women and enable a deeper analysis of the ways that specific sectors can benefit (e.g. the informal

economy). They also allow for the further exploration of the ways in which donors can support LED for example through Aid for Trade programming.

Local government is key to institutionalising LED. Whether as a convenor, facilitator or implementing partner, local government underwrites LED by virtue of its governance structures, landholdings and responsibilities for local utilities and infrastructure. Local government also: provides leadership; shapes institutional arrangements; makes policy; coordinates development planning; and helps create an enabling environment for business. But local government cannot do the job in isolation. National governments have an essential role to play in creating the conditions for local government to foster LED. There is no universal method for fostering an environment that is conducive for LED. Dialogue between governmental institutions and the development of national policy frameworks that signal the importance of connecting local economies with trade opportunities are pre-requisites if LED is going to realise its potential.

Annexe 1. Case Studies: Commonwealth Local Government Forum Reports 2012-2020

Region and Country	Case Study Precis
Southern Africa	
Southern Africa	SADC Regional value chains facilitation: UNCTAD has been working with governments of a number of Southern African Development Community (SADC) member states to explore the scope to build improved policy coordination around potential regional value chains.
Botswana and Zambia	CLGF and its partners in Botswana and Zambia initiated a process of capacity building with local governments and private entrepreneurs to: understand value chain concepts and how they can be used to enhance productivity, increase production, reduce the cost of supply, strengthen linkages, reduce agricultural project failures, and expose public and private sector investment opportunities to promote inclusive growth.
Botswana	The Ministry of Local Government and Rural Development (MLGRD) and Botswana Local Authorities Association (BALA) embarked on an initiative to empower local governments to implement LED as well as play a developmental role in Botswana
Eswatini	The Ministry of Urban Development and Housing in Eswatini and three local authorities (Mbabane City Council, Manzini Municipal Council, and Matsapha Town Council) used LED to implement the national Poverty Reduction Strategy and Action Plan. The three local authorities designed different poverty reduction initiatives, all aimed at the provision of sustainable access to economic opportunities through the facilitation of various entrepreneurial activities and social enterprises.
South Africa	eThekweni (Durban) Infrastructure for the informal economy: The municipality agreed to jointly develop solutions based on a better understanding of informal traders' needs and the services they provided to thousands of commuters in the Warwick Triangle area every day.
South Africa	Madibeng Local Municipality undertook an initiative to regenerate parts of their urban area and focused on the town of Brits.
South Africa	The South Africa Constitution, White Paper on Local Government and LED Frameworks highlighted how local government can be empowered to play a role in development, including LED.
South Africa	Ilembe District Municipality (IDM) in KwaZulu Natal in South Africa, set up a private company to: enhance its capacity to optimise its regional competitive advantage; facilitate the participation of stakeholders; and provide technical capacity to the District to promote trade and investment and to facilitate socio-economic development. It also established an LED Forum to bring together diverse stakeholders
Zambia	The Ministry of Local Government and the Local Government (MLG) Association of Zambia (LGAZ), Chalimbana Local Government Training Institute (CLTGI) sought to empower local government through the development of LED Guidelines and implementation of the Decentralisation Policy, and the National Development Plan.

Zambia	Chipata Municipal Council in Zambia decided to promote investment as part of its LED strategy and established: an interdepartmental team of council officials to engage investors.
Zimbabwe	Mbire District Rural District Council and its partners developed an LED strategy which: highlighted the District's tourism and agriculture potential; and promoted investment opportunities through marketing in media as well as through investment promotion events.
West Africa	
Ghana	Accra Street Vendors: The representatives of street vendors' associations were able to provide evidence to the Accra Municipal Assembly in support of a development plan.
Ghana	Nadowli-Kaleo District Assembly, Wa, Upper West Region - Climate Smart Demonstration Gardens: In line with the national government's climate change agenda, the project promoted community-based planning through the growing of vegetables for economic development with targeted community groups.
Ghana	Asunafo North Municipal Assembly, Brong Ahafo Region - Economic Empowerment of women, youth and small and medium Enterprises (SEMs) through rice and cocoa production in line with the national government's policy 'Planting for Food and Jobs.'
Ghana	Ayensuano District Assembly - Processing centres for palm nuts and cassava processing that will add value to raw products and increase the income of small producers. The district aims to link into the national policy of "one district one factory" to provide supporting infrastructure and boost the local economy.
Ghana	Ayensuano District Assembly, Eastern Region - Establishment of Gari and Cassava Dough Processing Centre at Amanase Aboabo.
Ghana	Tema Metropolitan Assembly, Greater Accra Region - Development of Metro wide local economic development strategy and support to local industry.
South Asia	
Bangladesh	Value chain development in Chittagong Hill Tracts: Practical Action in consultation with the Chittagong Hill Tracts Development Facility (CHTDF) is developing value chains in the three subsectors (banana, papaya and beef) with the support of UNDP.
India	Capacity Building for Local Entrepreneurship Development: Improving the success rate of enterprises and enhance their earning capacities, local governments in Kerala partnered with the Local Economic Development Society (LEDS) based in Kochi (Cochin) to work with small producers and entrepreneurs and build successful enterprises and collectives.
India	Maharashtra State Innovation Society: A nodal government agency that strengthens an innovation-driven entrepreneurial ecosystem in Maharashtra state. Established under Maharashtra's Department of Skill Development and Entrepreneurship, the society aims to foster innovative approaches and create conducive environment for innovative businesses to operate in the state.

India	Gram Panchayat's e-panchayat Initiatives: The Government of India has initiated a programme to digitise local panchayats across the country, through the Digital Panchayat e-platform and with the support of the Digital Empowerment Foundation (DEF) together with the National Internet Exchange of India (NIXI).
India	Madhya Pradesh Incubation Centres: The State Government of Madya Pradesh set out an Incubation and Start Up Policy in 2016 which made provision for the establishment of a network of centres aimed at fostering innovation, developing capacity and enabling dialogue.
Maldives	Waste Management on Ukulhas Island: Local government is a part of the initiative to systematically collect and dispose of garbage and waste.
Pakistan	Service Delivery through PPP and NGO-Public Partnerships: Jaranwala Tehsil. The local administration of Jaranwala Tehsil in Faisalabad District undertook to improve local service delivery in cooperation with the NGO and private sectors based on collecting better data.
Sri Lanka	The Northern Livelihood Development Project is part of an EU-led programme, which works with the conflict-affected communities, particularly those socially and economically excluded, in the Jaffna, Kilinochchi and Mullaitivu districts through livelihood opportunities.
Sri Lanka	Swisscontact LED Project, Kurunegala District, 2005-2008: In the Maspotha division the project team organized a multi-stakeholder process to develop a plan for the dairy sector.
South East Asia	
Malaysia	Greater Kuala Lumpur Investment Promotion: Invest Kuala Lumpur with representation from the city council is tasked with working closely with national and local government to ensure the needs of investors and key businesses are met.
Caribbean	
Belize	The role of the city council in Local Economic Development in Belize City: Belize City Council, led by the Mayor, together with local stakeholders, developed an LED strategy and one of the early projects was the development of the BTL Park on the city's waterfront.